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No. 06-944

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IN THE

Supreme Court of the United States

AT&T CORP. AND GEORGESON SHAREHOLDER COMMUNICATIONS INC.,
Petitioners,

v.

LILA T. GAVIN, on Behalf of Herself and All Other Persons Similarly Situated,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

SUPPLEMENTAL BRIEF OF PETITIONERS IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI

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STATEMENT PURSUANT TO RULE 29.6

Petitioners' corporate disclosure statement is set forth at page ii of the Petition for a Writ of Certiorari, and there are no amendments to that statement.

SUPPLEMENTAL BRIEF

On January 5, 2007, Georgeson Shareholder Communications Inc., joined by AT&T Corp., petitioned this Court for certiorari review in light of the significant federal question presented by the case under the Securities Litigation Uniform Standards Act of 1998 ("SLUSA"), Pub. L. No. 104-353, 112 Stat. 3227, and the conflict between the Seventh Circuit's decision below and the Second Circuit's decision in a parallel nationwide class action based on identical facts, including the same AT&T Corporation merger. *Starr v. Georgeson Shareholder, Inc.*, 412 F.3d 103 (2d Cir. 2005). Pursuant to Supreme Court Rule 15.8, Petitioners file this supplemental brief to bring to the Court's attention two subsequent developments relevant to its consideration of the petition.

First, on January 22, 2007, Mayor Michael Bloomberg and Senator Charles Schumer released a 134 page, bi-partisan report on threats to the United States' global leadership in the financial services marketplace. This report, entitled *Sustaining New York's and the US' Global Financial Services Leadership*, is available at both http://www.nyc.gov/html/om/pdf/ny_report_final.pdf and http://schumer.senate.gov/SchumerWesite/pressroom/special_reports/2007/NY_REPORT_FINAL.pdf ("the Bloomberg-Schumer Report"). The Bloomberg-Schumer Report details three major threats to the Nation's leadership in this critical sector of the global economy. Not surprisingly, one of the threats cited by the Report is the "highly complex and fragmented nature of [America's] legal system."[1] The Bloomberg-Schumer Report amplifies the concern about the loss of United States public market competitiveness compared to global markets that was raised three months ago in the *Interim Report of the Committee on Capital Markets Regulation*, November 30, 2006, ix-xii, 2, *Securities Law360*, cited in the petition at page 23. If allowed

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[1] Bloomberg-Schumer Report at ii.

to stand, the decision below will further fragment our legal system and will expedite, not counter, the well-documented and disturbing erosion of American leadership in the global capital marketplace shown by these two reports.

Second, on February 9, 2007, the United States appeared as *amicus curiae* in support of petitioners in *Tellabs, Inc. v. Makor Issues & Rights, Ltd.* (Case No. 06-484), currently pending before the Court. In that matter, the Solicitor General argues for a uniform, heightened pleading standard for private litigants under the Private Securities Litigation Reform Act of 1995 ("Reform Act"), 109 Stat. 737 (codified at 15 U.S.C. §§ 77z-1 and 78u-4). As this Court has observed, a narrow reading of SLUSA would undercut the effectiveness of the Reform Act. *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Dabit*, 126 S.Ct. 1503, 1511 (2006). The Reform Act, arm-in-arm with SLUSA, seeks to curb class-action abuses in litigation involving nationally traded securities. Nationwide uniformity of law is essential under both federal statutes. Petitioners submit that the present case is a natural and appropriate companion case for hearing along with the *Tellabs* case.

Finally, in light of the importance that SLUSA and the Reform Act play in the Nation's efforts to remain competitive in the global financial services marketplace, petitioners urge the Court to grant a writ of certiorari in this case and suggest that the Court's consideration of the petition may be further enhanced by receiving the views of the Solicitor General.

Respectfully submitted,

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